

VZCZCXRO7763  
PP RUEHFK RUEHKSO RUEHNAG RUEHNH  
DE RUEHKO #2929/01 1790106  
ZNR UUUUU ZZH  
P 280106Z JUN 07  
FM AMEMBASSY TOKYO  
TO RUEHC/SECSTATE WASHDC PRIORITY 4978  
INFO RUEKJCS/SECDEF WASHDC PRIORITY  
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY  
RUEAWJA/USDOJ WASHDC PRIORITY  
RULSDMK/USDOT WASHDC PRIORITY  
RUCPDOG/USDOC WASHDC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RUEKJCS/JOINT STAFF WASHDC//J5//  
RHHMUNA/HQ USPACOM HONOLULU HI  
RHHMHBA/COMPACFLT PEARL HARBOR HI  
RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//  
RUALSFJ/COMUSJAPAN YOKOTA AB JA//J5/JO21//  
RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA  
RUAYJAA/CTF 72  
RUEHNH/AMCONSUL NAHA 4183  
RUEHFK/AMCONSUL FUKUOKA 1769  
RUEHOK/AMCONSUL OSAKA KOBE 5346  
RUEHNAG/AMCONSUL NAGOYA 0892  
RUEHKSO/AMCONSUL SAPPORO 2587  
RUEHBJ/AMEMBASSY BEIJING 7629  
RUEHUL/AMEMBASSY SEOUL 3688  
RUCNDT/USMISSION USUN NEW YORK 4789

UNCLAS SECTION 01 OF 10 TOKYO 002929

SIPDIS

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA;  
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;  
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;  
SECDEF FOR JCS-J-5/JAPAN,  
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA  
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;  
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 06/28/07

- 1) Top headlines
- 2) Editorials
- 3) Prime Minister's daily schedule

Reactions to comfort-women resolution:

- 4) Prime Minister Abe will not respond to House committee's passage of comfort-women resolution
  - 5) Abe calls the House resolution just one among many
  - 6) Parliamentary group who ran Post ad calls the House panel's adoption of the comfort-women resolution: "a major crack in the Japan-US relationship"
  - 7) Opposition blasts Prime Minister Abe for handling of comfort-women issue
  - 8) Passage of comfort-women resolution by House panel is result of pressure from anti-Japan group connected with China: Sankei's Komori
  - 9) House leadership gave consideration to Japan be softening somewhat the language in the draft resolution on comfort-women issue
  - 10) With four-party talks set, Tokyo concerned that Japan is being cut out of the peace process on the Korean Peninsula
  - 11) In meeting with Russia, Japan to express willingness to provide technology for building a bullet-train line in Siberia
- Political agenda:
- 12) Pension legislation set to pass the Diet today
  - 13) Civil service reform bill that would contain amakudari (golden

parachutes for retired senior officials) planned for passage by the Diet this week

14) All night session of the Diet expected in order to pass important bills

15) Ex-Peruvian president Fujimori agrees to run for an Upper House seat in July

16) LDP's Koichi Kato, raising the liberal flag, launches criticism of Abe's policies

Articles:

1) TOP HEADLINES

Asahi:

CRT-based televisions now have nowhere to go with China refusing to import: Not allowed to dump due to recycle law

Mainichi:

Fake sale of Chongryon head office: Former Public Security Intelligence Agency received receipts totaling 484 million yen; Evidence to false deal?

Yomiuri:

Bullet-train system technology to be transferred to Russia for Siberian railways: Japan, Russia to hold talks; Taskforce to be set up in fall

Nihon Keizai:

Patent Agency to raise patent fees up to 40 % ; Corporate burden to be reduced next year

Sankei:

Harmful China-made toothpaste sold at 100-yen stores as well: 1.3

TOKYO 00002929 002 OF 010

million tubes shipped; Nine companies recalled products

Tokyo Shimbun:

Indoor hot spas: only eight facilities out of 56 equipped with gas detectors, according to Tokyo Metropolitan Government survey

Akahata:

Missing pension premium payment records: JCP revealed emergency settlement bill

2) EDITORIALS

Asahi:

(1) Comfort women resolution: Prime minister must be aware of the seriousness of the matter

(2) Deputy Tokyo Governor Inose: Can he say no to the governor?

Mainichi:

(1) SIA reform plan: Stop to reconsider

(2) Comfort women resolution: There is a problem with Abe diplomacy as well

Yomiuri:

(1) Comfort women resolution: Address the root of the US Congress' misunderstanding

(2) Scholarship system for high school baseball players: Reform the Federation

Nihon Keizai:

(1) Democratization still a challenge in Hong Kong 10 years after reversion to China

(2) Do not leave tragedy in Sudan unheeded

Sankei:

(1) Comfort women resolution: Dispel misunderstandings by presenting facts

(2) Scholarship system for high school baseball players: Flexible response needed

Tokyo Shimbun:

(1) Adoption of comfort women resolution should not be made thorny

issue between Japan and US

(2) Scholarship system for high school baseball players: Return to starting point

Akahata:

(1) Adoption of comfort women resolution reflects harsh criticism toward the Yasukuni faction that defends past war of aggression

3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, June 27

NIHON KEIZAI (Page 2) (Full)

June 28, 2007

09:19

Met at Kantei with Deputy Chief Cabinet Secretary Suzuki. Attended party to encourage medical doctors who will be dispatched to regions with shortage of doctors.

10:00

TOKYO 00002929 003 OF 010

Met with incoming GSDF Eastern Army Headquarters Commanding General Izumi and others, followed by TSE Chairman Taizo Nishimuro and President Jun Saito.

10:41

Met with Narita International Airport Co. President Shozaburo Morinaka, joined by Japan Business Federation Chairman Mitarai.

11:05

Met with Senior Vice Cabinet Minister Hayashi.

12:00

Talk with personality Terry Ito for the radio program recorded at Nippon Broadcasting System in Yurakucho.

14:25

Met at Kantei with Mainichi Shimbun President Kitamura, followed by TV Tokyo Chairman Kasuya and President Shimada.

15:08

Met with Special Advisor to the Cabinet Office Kurokawa, followed by Internal Affairs Minister Suga.

17:08

Handed LDP candidates for Upper House race at party headquarters, attended by Secretary General Nakagawa and LDP Upper House Chairman Aoki. Nakagawa and Aoki remained in the office.

17:56

Arrived at Kantei.

18:38

Returned to his official residence.

Articles:

4) Abe sees no need to respond to passage of "comfort women" resolution

NIKKEI (Page 2) (Full)

June 28, 2007

Concerning a US House of Representatives committee's passage of a resolution on the "comfort women" issue, Prime Minister Shinzo Abe told reporters at his office yesterday that he explained his view when he visited the United States (in April). With this, Abe indicated that there is no need to respond again. However, some lawmakers see the US Congress's move this time as ascribable to remarks made by Abe himself and lawmakers close to him. In addition, some have questioned the Foreign Ministry's response.

"The Japanese government has to repeat its explanation," New Komeito Secretary General Kazuo Kitagawa told reporters yesterday. However,

SIPDIS

Kitagawa also noted, "We should abstain from saying anything that could cause misunderstanding of the (Japanese government's) stance." So saying, he criticized opinion leaders and lawmakers close to Abe for their advertisement in a US newspaper that denied the now-defunct military's forcing of comfort women to brothels.

Takeaki Matsumoto, policy chief of the leading opposition Democratic Party of Japan (Minshuto), criticized Abe, saying: "The prime minister has sent various messages, but his failure to communicate

TOKYO 00002929 004 OF 010

with the US Congress has brought about such a result. He's responsible for this." Akira Koike, chairman of the Japanese Communist Party's policy board, noted: "It's the failure of Yasukuni diplomacy that defends a war of aggression."

Lawmakers close to Abe believe that the resolution's passage is attributable to the Foreign Ministry's response. Nariaki Nakayama, who heads a group of Diet members that thinks about Japan's future and history education, stressed: "Japan's diplomatic efforts have not been successful. We must make our case." One of the advertisement's sponsors, Takeo Hiranuma, seated in the House of Representatives, released a statement suggesting the need for Japan and the United States to study history together.

5) Prime minister: Comfort women resolution is one of many adopted in US Congress

ASAHI (Page 4) (Full)  
June 28, 2008

Regarding the resolution on the so-called comfort women adopted by the United States House of Representatives Foreign Affairs Committee, Prime Minister Abe said last night: "I have no intention of making any comment on a resolution adopted by the US Congress. I already expressed my own view about that issue when I visited the US." He added: "A considerable number of resolutions have been passed by the US Congress. This is just one of them." He was responding to questions by reporters at his official residence.

When one reporter asked -- "All of many resolutions adopted in the US Congress are considerably important, aren't they?" -- the prime minister with an unpleasant look just replied, "That is your view, isn't it," and he took no further questions.

6) Suprapartisan group of lawmakers releases statement stating: US comfort women resolution will create major fissure in Japan, US relations

ASAHI (Page 4) (Full)  
June 28, 2007

In reaction to the United States House of Representatives Foreign Affairs Committee's adoption of a resolution on the wartime comfort-women issue, a suprapartisan group of about 50 lawmakers released a statement yesterday that stressed: "The resolution denouncing Japan based on an erroneous perception of the facts will create a serious crack in the Japan-US relationship, and cast a pall over future relations." The group, headed by former Minister of Economy, Trade and Industry Takeo Hiranuma, is composed of members mainly of the Liberal Democratic Party and the Democratic Party of Japan (Minshuto). (TN: Hiranuma was one of the sponsors of the Washington Post advertisement, The Facts, that rejected the factual contents of the House resolution.)

The statement further noted: "One proponent said the resolution was based on the 1993 statement by then Chief Cabinet Secretary Yohei Kono." The Kono statement admitted the Japanese military's involvement in setting up brothels and coercion of young women into sexual slavery. Pointing out: "It is necessary to look into why the Kono statement was issued," the statement suggests that Japan should propose: (1) establishing a Japan-US joint history study group on the comfort women issue; and (2) studying why the Kono statement was

issued.

7) Opposition parties criticize Abe over "comfort women" resolution

MAINICHI (Page 5) (Full)  
June 28, 2007

Opposition parties yesterday criticized Prime Minister Shinzo Abe in connection with the adoption of the "comfort women" resolution by the US House Foreign Affairs Committee.

Minshuto (Democratic Party of Japan) policy chief Takeaki Matsumoto said in a press conference: "I have much to say about the contents of the resolution, but the adoption resulted from a failure to communicate between the prime minister and the US Congress. The prime minister will be held responsible." Japanese Communist Party policy chief Akira Koike took this view: "The adoption spells out the failure of the 'Yasukuni faction' diplomacy trying to justify a war of aggression. Lending an ear to this voice, the government must clearly express an apology and remorse over the comfort women issue." Social Democratic Party head Mizuho Fukushima said: "The Abe cabinet must squarely face up to this fact."

8) Existence of pressure from Chinese-affiliated anti-Japanese organizations behind passage of "comfort women" resolution at US House committee

SANKEI (Page 7) (Abridged)  
June 28, 2007

Yoshihisa Komori, Washington

The US House Committee on Foreign Affairs (chaired by Tom Lantos) yesterday passed a "comfort women" resolution denouncing Japan. Lying behind this passage was strong pressure on Chairman Lantos from Chinese-affiliated anti-Japanese organizations, which reportedly had threatened to back another candidate in the next election if he failed to swiftly move to take a vote on the resolution.

This information came as a news story carried on June 14 by the Bay City News, a San Francisco-based local press agency focusing on news reports on mid-California. This story was carried by other local newspapers.

According to that news story, senior members of the Global Alliance for Preserving the History of WWII in Asia (ALPHA), a US-based Chinese body persistently denouncing Japan over historical issues, along with senior members of other Chinese-affiliated organizations in the US, gathered together at a Chinese restaurant in California and discussed ways to promote the passage of the comfort-women resolution introduced in the House of Representatives by Rep. Michael Honda and other lawmakers. According to what ALPHA Vice President Ignatius Ding said, senior ALPHA members indicated at the gathering that House Speaker Nancy Pelosi and Lantos were being evasive (about taking a vote on the resolution). Referring particularly to Lantos, they asserted that although he was viewed as a pro-human rights lawmaker, "He is unwilling to respond to our call to support the resolution and looks down on voters and Asian-American society."

These remarks came at a time when veteran Japanese-American Sen.

Daniel Inouye asked Lantos and others not to deliberate on the resolution and also when they softened their approach toward the resolution in response to Prime Minister Shinzo Abe's statement made during his US visit that "I feel sympathy" for former comfort women.

According to the news report by Bay City News, senior ALPHA members, who have made political contributions to both Democratic and Republican legislators, expressed concern that if no action were

taken, they would simply end up being used as political donors and being left unattended. Ding said, "If they were unable to have good communications with Chairman Lantos, whose electoral district is made up of 33 % of Asian-Americans, he could be replaced by a newcomer," implying that in the 2008 election they could put up their own candidate instead of backing Lantos.

Ding stated: "We've been totally embarrassed recently by the staff of the Lantos office for their treatment of us. We are already examining several persons, including a fully-qualified Asian-American woman who could be a good rival, as our own candidate."

The Lantos office, when asked on June 26 about the news report on these moves by Ding and others, said: "The new development has already changed the situation."

9) Comfort women resolution: House leaders give consideration Japan in language

YOMIURI (Page 7) (Full)  
June 28, 2007

WASHINGTON-The US House of Representatives Foreign Affairs Committee has now passed a resolution demanding an apology from Japan over the so-called comfort women issue. US House of Representatives Speaker Pelosi (Democrat), who holds the key to its being passed by the full House, has expressed her support for the resolution. The House of Representatives is now likely to adopt the resolution for the first time in its full session in July. Pelosi and other floor leaders in the US Congress, though, have shown consideration for Japan by trying to minimize the ill effects on Japan-US relations. But an increasing number of lawmakers pressed by their supporters are endorsing the resolution. It could become a potential source of trouble between Japan and the United States in the future.

House of Representatives Foreign Affairs Committee Chairman Tom Lantos and Senior Director Ros-Lehtinen from the Republican Party proposed an amendment to the resolution before its June 26 passage, underscoring the importance of "the Japan-US alliance based on common interests and values." This is apparently intended to prevent a congressional image of "Japan bashing." In her statement after the resolution was adopted, Pelosi also showed consideration to a certain extent, saying Japan has been displaying leadership on humanitarian and other issues but that it needs to make still greater efforts.

However, nearly 20 lawmakers, who stated their views before the committee in its June 26 meeting, set forth severe opinions. Jewish lawmakers, including Lantos, and Rep. David Scott, who is black, respectively referring to the Holocaust and to slavery in the United States, noted that Japan "would become free (of this issue)" by issuing an apology." Rep. Sheila Lee, a female lawmaker, pointed to

TOKYO 00002929 007 OF 010

"the tragedy of women now being victimized on the battlefield." With this, she criticized Japan while putting the comfort women issue in the same category with present-day war crimes.

Rep. Ron Paul, who voted against the resolution, insisted on the necessity of discussing the United States' own problems, such as the issue of human rights for terrorist suspects held at the US Guantanamo base in Cuba. However, he did not defend Japan on the comfort women issue.

10) Japan alarmed at four-party North Korea peace framework

ASAHI (Page 4) (Full)  
June 28, 2007

A plan announced by US Assistant Secretary of State Christopher Hill to establish a framework of four countries -- the United States, China, South Korea, and North Korea -- to discuss a process for bringing lasting peace to the Korean Peninsula will exclude Russia and Japan, the other two members of the six-party framework. This move has sparked a sense of alarm in Tokyo about discussions moving

forward without Japan.

Prime Minister Shinzo Abe, appearing on a radio program yesterday, expressed his displeasure, noting, "Ostracizing Japan will not help North Korea to be accepted by the international community." Abe underlined the need to push ahead with discussions under the current six-party framework.

Hill, who is chief US delegate to the six-party talks, said in a press conference on June 25:

"I would like to see a Korean Peninsula peace process framework composed of parties directly concerned set in motion, once the disabling of the nuclear facility begins. The United States, China and the two Koreas are our definition of the discussion members. That would be anybody's definition."

Chief Cabinet Secretary Yasuhisa Shiozaki also raised an objection on June 26: "A four-party framework has not yet been defined." Abe also said in a strong tone yesterday: "They (North Korea) are trying to use all sorts of tactics to isolate Japan. We must not fall into their plans."

The six-party agreement reached in February on North Korea's initial steps for nuclear dismantlement also specified "joint efforts for the peace and stability of Northeast Asia by the six countries" along with the establishment of a peace process framework. But the relationship between the two bodies is an item for future discussion, according to a senior Foreign Ministry official.

With Washington shifting its policy line toward a dialogue with Pyongyang, Tokyo is concerned that the six-party framework is turning into a mere shell. Shiozaki apparently underlined the need for the North to implement the initial steps first in a bid to derail the four-party plan.

11) Bullet-train system technology to be transferred to Russia for Siberian railways: Japan, Russia to hold talks; Taskforce to be set up in fall

YOMIURI (Top Play) (Excerpts)

TOKYO 00002929 008 OF 010

June 28, 2007

The government yesterday revealed that it would start talks with Russia on assistance for that nation's plan to consolidate a Siberian railway network, which stretches approximately 9,300 meters between Vladivostok and Moscow, using Japan's bullet-train system. A taskforce composed of both countries' government officials and companies will be established possibly this fall for discussion on concrete measures. The Japanese government intends to sell Japan's railway technology to Russia, whose economy is growing rapidly, in the hope of expanding business opportunities. It also wants to make strengthened relationship of cooperation with Russia with rich energy resources, such as oil and natural gas, lead to stable energy supply.

The Russian government is set to map out possibly this September a railway system consolidation plan with 2030 as the goal year. The modernization of the Siberian railway, the longest in the world, will form the core of the plan. The Russian government last year informally sounded out Japan for cooperation on the plan, noting that it wants to consider the possibility of introducing Japan's railway technology, such as its bullet-train system.

In response, the Ministry of Economy, Trade and Industry (METI) has sought cooperation from domestic vehicle manufacturers. The government also plans to assist Russia with its comprehensive development program, such as developing industrial sites along the Siberian railway. Senior METI officials will visit Russia in early July to meet with Russian Railways President Yakunin and senior government officials for preliminary research. Tokyo and Moscow are expected to look into the feasibility of cooperation in terms of vehicle technology and railway operation technology.

The specific consolidation plan for the Siberian railway has yet to be revealed. The plan appears to be partially laying new railway tracks for the introduction of the bullet-train system.

12) Ruling coalition to take vote on pension bill today; Vote on civil service reform bill at Upper House committee to be skipped

MAINICHI (Page 1) (Excerpts)  
June 28, 2007

The ruling coalition yesterday proposed to the opposition camp taking a vote today at an Upper House committee session bills related to reform of the Social Insurance Agency, including one to remove the five-year statute of limitations on pension claims, and bills amending the National Civil Service Law. Although the opposition rejected the proposal, the ruling parties intend to pass the SIA reform bills on the authority of chairman of the Committee on Health, Labor and Welfare. Chances are that since the chairman of the Committee on the Cabinet Office, a member of the main opposition party Minshuto (Democratic Party of Japan) is unlikely to take a vote on the bills amending the civil service law, the ruling camp will take a vote on the legislation tomorrow at an Upper House plenary session, skipping a vote at the committee. The ruling coalition intends to pass those key bills this week. The opposition plans to submit to the Lower House a no-confidence motion against the cabinet of Prime Minister Shinzo Abe if the pension bills are passed. As it stands, the fierce battle between the ruling and opposition camps will enter a final stage.

TOKYO 00002929 009 OF 010

13) Ruling camp poised to pass civil service reform bill this week

ASAHI (Page 1) (Slightly abridged)  
June 28, 2007

The House of Councillors' Cabinet Committee resumed deliberations on a bill amending the National Civil Service Law yesterday. The ruling parties are resolved to have the bill passed within this week. Even if Chairman Masashi Fujiwara (Democratic Party of Japan or Minshuto) refuses to take a vote on the bill, the ruling camp intends to submit the bill to an Upper House plenary session without a vote taken. On bills related to reform of the Social Insurance Agency and a pension bill, the ruling parties will step up efforts to have them put to vote in a meeting of the Upper House Health, Labor and Welfare Committee today and enacted in a plenary session tomorrow. The opposition camp is poised to put up resistance by submitting a no-confidence motion against the cabinet.

Prime Minister Abe said yesterday: "We have fully discussed these three bills. We extended the Diet session and took more time for discussing them. They must be put to vote in the end."

The Upper House Cabinet Committee decided to hold a six-hour question-and-answer session today on the civil service reform bill. At the Upper House Health, Labor and Welfare Committee, as well, the ruling and opposition parties agreed to hold an interpellation session on the SIA bill and the pension bill for six hours the same day, but the opposition camp is against voting on them. The ruling bloc is willing to take a vote as soon as the deliberations wind up.

14) Key bills likely clear Diet tomorrow

SANKEI (Page 2) (Excerpts)  
June 28, 2007

The ruling and opposition camps will likely face off against each other on June 29-30 over whether to take a vote on important bills. The ruling parties plan to pass all together such key bills as bills related to reform of the Social Insurance Agency and a bill to remove the statute of limitations on pension claims; bills amending the National Civil Service Law; and a bill revising the Political Funds Control Law at a plenary session today of the House of Councillors. The opposition camp, however, intends to lock horns with the ruling bloc by submitting a no-confidence motion against



the cabinet of Prime Minister Shinzo Abe, with the possibility of the session lasting all night. The opposition has stepped up its attack on the government and ruling coalition over the residential tax hike implemented in June. With the July 29 Upper House election in mind, a tug-of-war has intensified between the ruling and opposition camps.

In a meeting of their Diet Affairs Committee chairmen, Minshuto (Democratic Party of Japan) and the Social Democratic Party (SDP) -- opposition parties -- agreed on June 27 that they would thoroughly fight against the government and ruling bloc. The two parties plan to hold today a meeting of the party heads, including the representative of the People's New Party.

The three parties will confirm that they will submit to the House of Representatives a no-confidence motion against the cabinet if the SIA reform bills are put to a vote at an Upper House plenary session

TOKYO 00002929 010 OF 010

tomorrow, and they will submit to the Upper House no-confidence motions against Prime Minister Abe and Health, Labor and Welfare Minister Hakuo Yanagisawa. The opposition apparently aims to impress on the public the forcible tactics of the government and ruling coalition, looking ahead to the Upper House election next month.

15) Ex-Peruvian President Fujimori to run in Upper House election

SANKEI (Page 2) (Full)  
June 28, 2007

Former Peruvian President Alberto Fujimori, 68, who remains under house arrest in Chile, made up his mind to run in Japan's House of Councillors election next month, accepting an offer by the People's New Party. This was revealed yesterday by a source close to Fujimori. Fujimori is expected to announce his candidacy as early as this morning, Japan time. According to the source, the PNP is considering filing him as a candidate for the proportional representation segment. It is the first time for a former head of state of a foreign country to run in a Japanese national election. Since Fujimori has Japanese citizenship, it is possible for him to run even though he is under house arrest in a foreign country. Reportedly there would be no legal problems even if he did not attend any Diet sessions after being elected.

16) Kato, raising the liberal flag, criticizes Abe's policy line in new book

ASAHI (Page 4) (Full)  
June 28, 2007

Koichi Kato, a former secretary general of the Liberal Democratic Party, has written a book titled, Strong Liberal (Tsuyoi riberaru). published by Bungeishunju on June 26. The book criticizes the advocacy of the policy line of "market fundamentalism" (shijou-genrishugi) by former Prime Minister Junichiro Koizumi and Prime Minister Shinzo Abe. Kato sees such a policy as the cause of expanded social and income disparities in Japan. Defining a liberal as someone who "cares for others," Kato, in raising the flag for his cause, writes that liberalism "can develop into a political force that will be accepted by those people seeking peace of mind."

Kato in a press conference on June 26 said:

"Showing voters that not all LDP lawmakers advocate market fundamentalism will help bring good results to the upcoming House of Councillors elections. There are factions and individuals who think that (the prime minister) does not have to resign even if the party suffers a serious setback in an election. But that's a matter of their integrity."

He was cynically describing Machimura faction leaders (Abe's faction) who rule out the prime minister assuming responsibility (if the party loses the election).

SCHIEFFER